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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Honorable Cardiss Collins
House of Representatives
2308 Rayburn House Office Bldg.
Washington, DC 20515-1307

93-253

Dear Congresswoman Collins:

This is in response to your letter of September 22, 1993, addressing the 2 GHz Personal Communications Services (PCS) proceeding, GEN Docket No. 90-314. You propose that the Commission adopt rules that maximize the opportunity for African American participation in PCS, award up to five licenses in each service area, and license PCS on a Metropolitan Statistical Area/Rural Service Area (MSA/RSA) basis.

On September 23, 1993, the Commission adopted final rules in GEN Docket No. 90-314, allocating 120 megahertz of spectrum for licensed PCS. The Commission decided to award up to seven licenses in each service area and adopted as service areas Basic Trading Areas (BTAs) and Major Trading Areas (MTAs); 60 megahertz of spectrum were allocated for BTAs and 60 megahertz for MTAs. There are 492 BTAs and 51 MTAs for licensing purposes. The Commission concluded that BTAs are representative of likely PCS markets in which local communications will take place, and that MTAs will provide the economies of scale and scope necessary to promote development of low cost PCS equipment. In a companion Notice of Proposed Rule Making in PP Docket No. 93-253, the Commission proposed licensing preferences in 30 megahertz of the BTA spectrum for rural telephone companies, small businesses, and businesses owned by minorities and women.

The Commission's actions that address PCS are designed to foster competition among PCS providers and between PCS providers and cellular radio operators and to promote diversity in the provision of PCS. I am attaching the press releases of GEN Docket No. 90-314 and PP Docket No. 93-253 that more fully describe the Commission's actions.

Sincerely,

James H. Quello
Chairman

Enclosures

Congress of the United States

House of Representatives

CARDISS COLLINS

7TH DISTRICT, ILLINOIS

September 22, 1993

Honorable James H. Quello
Chairman
Federal Communications Commission
1919 M Street, N. W.
Room #802
Washington, D. C. 20554

Re: Personal Communications Services

Dear Mr. Chairman:

I understand that the Federal Communications Commission will issue procedures this Thursday governing the allocation of licenses for Personal Communications Services ("PCS"). Last week, during the Twenty-Third Annual Congressional Black Caucus Legislative Weekend, our colleague, Edolphus Towns, held a hearing entitled "Electronic Networks: Players, Programs and Policy." The testimony revealed that the FCC has a unique opportunity to facilitate minority participation in the nascent PCS industry.

As you know, African Americans are virtually non-existent as owners in important telecommunications industries including AM and FM Radio, Television, Cable Television, and cellular telephone. The Commission has a unique opportunity to adopt PCS rules and regulations which will maximize the opportunity for African American entrepreneurs to become owners in this important new industry. I urge the FCC to create up to five licenses in each market area. I also support the adoption of relatively smaller market areas based on MSA/RSAs rather than MTA/BTAs. Taken together, these policies will minimize the cost of each license and create more license opportunities. Smaller market areas will also make it more feasible for new market entrants to be able to service the license areas effectively.

The Commission's past failures, to consider the barriers to minority entrepreneurs' provision of Commission regulated, spectrum based services has resulted in the virtual exclusion of African

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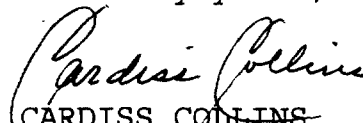
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Honorable James H. Quello
Page Two
September 22, 1993

Americans from these important industry segments. I look forward to the adoption of PCS rules which encourage new entrants to become equity owners in this portion of the communications super highways of the future.

Sincerely yours,


CARDISS COLLINS
Member of Congress

CC:h